NAWRA Welfare Reform Changes Chart: Part 1 - Earlier Changes (to April 2013)

(For changes from April 2013, please see Part 2: Recent and Forthcoming Changes)

Date	Benefit	Change	Impact	Analysis
Jan 2011	Old "sickness route" benefits	• No new linked claims for Incapacity Benefit, SDA or Income Support (for sickness) from 31/01/11. • Claimants no longer return to old rate but claim basic ESA and face Work Capability Assessment • IB/SDA claimants can still claim Income Support (and vice versa) if become eligible.	Targets those who have tried to move from "welfare to work". Goes back on "trial period" promise (e.g. to WTC claimants etc. that could return to previous rate of benefit if job did not work out.) A significant cut in benefits and less certainty of being able to continue on benefit given harder ESA tests.	Affects precisely people who have done what Governments want them to do. It undermines future confidence and will make people more fearful of attempting work. At odds with normal precedent of not making retrospective changes and aim of encouraging "welfare to work"
March 2011 to April 2014	Employment and Support Allowance	Migration of existing claimants (of Incapacity Benefit, Severe Disablement Allowance and Income Support through sickness) begins. To be completed by April 2014, with individual Work Capability Assessments to determine if can transfer to ESA: If "YES" switch to ESA at transitionally protected rate - but may ***still*** lose ESA after April 2012 *(see below)* If "NO" can appeal and get assessment phase ESA pending, sign on for Income based JSA or lose benefit. **CUT of up to £2,500 million pa (30%) by 2014** *Not completed by April 2014 amidst assessment delays reaching 18 months. Atos pulling out early from contract*	• Affects around 1.5 million people across UK with a disproportionate effect in deprived areas with a high incidence of long term limiting illness. • Pilots show a 30% "failure rate" (as opposed to 15% told by DWP to Parliament). Actual outcomes vary around 34% • Some groups previously exempt (e.g. severe mental health/ learning disabilities or on DLA Higher Care) face test for the first time. Additional support needs (e.g. CMHTs, CSTs). • Likely increase in demand for advice and help with appeals • Of those disallowed 50% may get JSA, 50% lose benefit • Those that pass on to Contributory ESA may be hit by time limit	Originally ESA was only for ***new*** claimants (to avoid memories of previous migration from Invalidity Benefit). ESA was meant to be an enabling benefit (albeit with some compulsion) to support people into work at a time of high employment The former Personal Capability Assessment system was already the toughest in the developed world. The replacement Work Capability Assessment Test is even tougher Refusal rates for have been far higher than Parliament were led to believe in impact assessments (68% rather than 50% for new claims and 34% rather than 15% for migration cases. Job Centre staff reporting a significant gap between those "failing" the ESA test and having realistic employability.
April 2011	***ALL*** working age benefits	Increases will be set by the *Consumer Price Index* (which produces **consistently lower increases**) instead of the *Retail Price Index* or the *Rossi* index. **CUT of £5,840 MILLION pa by 2014/15**	Those receiving any benefit will see its value decrease over time, lessening their ability to pay for essentials. Will be the biggest cut of all by 2015	Together with the VAT increase in January '11 from 15% to 20% and higher inflation in basic essentials, could make everyday life difficult to manage for those with benefits income.
	Child Benefit	**Frozen** for three years **CUT of £985 million pa**	As prices rise and benefit doesn't, families afford less.	A cut affecting ALL families and children, with the greatest impact proportionately on the poorest.
	Maternity Grant	**Restricted** to the first child only	Babies in neighbourhoods with complex financial and social problems now denied £500.	Help withdrawn from families with more than one child –will impact in areas where there is already high disadvantage, and increases risk of poverty.
	BOTH Tax Credits	**Taper** on income for tax credits moves from 39% to 41% **CUT of £765 million pa by 2014/15**	Increases "marginal tax rate" by 2%	Will impact on all those in low paid employment and will impact on working families in particular
		Fall from £25,000 to £10,000 in "*disregarded increases in income during the current tax year*" **A cut of £140 million rising to £450 million**	Likely return of destabilising effect of overpayment recovery experienced in early years of tax credits. Moving into work paying over £10K may lead to overpayment problems.	Administrative complexity and cost for HMRC and less predictability and increased fear of recovery may be a disincentive to move from benefits into work or take up in work benefits.
	Working Tax Credit	**Basic & 30 hour elements** in WTC frozen for 3 years. **CUT of £625 million by 2014/15**	The amount of tax credits to working families **reduces** *in real terms.*	This and other changes below are all cuts affecting working families and does not fit well with the stated aim: of "*making work pay*"
		New category for workers aged 60+ who can claim WTC if working over 16 hours at 60 +, regardless of whether a disabled worker or have children.	Helps older workers to explore reduced hours option. Previously if no dependent children or not a disabled worker, then would have needed to work 30 hours to get WTC	Another option at 60 + to support carrying on in work, but may overlap with £ for £ reduction in Pension Credit if low earnings

Date	Benefit	Change	Impact	Analysis
April 2011	**Working Tax Credit (*ctd.*)**	**Childcare element** of WTC reduced from 80% to 70% of actual childcare costs up to a capped maximum. **CUT of £385 million pa by 2014/15**	Those who qualify for help with their childcare costs will receive significantly less. Those with higher childcare costs will be worst hit. Change reversed under UC see below (but with lower limits)	Childcare is frequently cited as a major barrier to work, effectively **reducing** working parents' take-home pay. This cut will increase childcare costs for low-paid parents.
	Child Tax Credit	**Income threshold** for *family element* of CTC reduce from £50,000 pa to £40,000 a year. Taper above threshold increased sharply from 6.66%) to individual element taper of 41%. **CUT of £175 million**	"Better off families" lose £42 a month. Family Element now fully extinguished at £41,230 instead of £58,000 (or £66,000 when Baby Addition applied)	Some nominally "better off" families will feel the cut, especially if they have high housing or other living costs.
		Baby element in CTC scrapped. **CUT of £275 million by 2014/15**	Families with a child under 1 lose up to £10.50 pw	A cut affecting children already in poverty the hardest.
	Housing Benefit	Local Housing Allowance maximum caps for 1 bed (£250), 2 bed (£290), 3 bed (£340) and 4 bed (£400) Separate rate for 5 bedrooms (at any amount) scrapped. **CUT of £55 million pa**	Reducing the amount going to low-income households to help pay their rent, especially those who need a larger home.	Caps will *mainly* affect London and the SE, as elsewhere LHAs may be below new caps. Scrapping the 5-bedroom rate will affect larger families **everywhere**.
		Non-dependant deductions - large increases over next 3 years to make up ground since last increase 10 years ago. **CUT of £340 million pa**	Affects tenants with non-dependant adults (e.g. parents, grown up children) living in house). Non-dependants may not always be willing - or be asked - to make up the shortfall. Will be eased under UC	A major cause of rent arrears, family disputes and potential homelessness. Goes against policy aims of maximising use of housing stock and supporting families
		Local Housing Allowance Rates will be set at the 30th percentile of local private rent prices, not the 50th. **Cut of £425 million**	Only 1/3 (instead of ½) of available private rented housing locally will be affordable to HB claimants. HB claimants will find it more difficult to find affordable properties to rent in the private sector	A big cut which **increase of £40 million** pa in Discretionary Housing Payments will do little to offset.
		Additional room in LHA if need for a carer to come in. Additional bedroom for a disabled child **INCREASE of £15 million pa**	A gain that supports caring, but still ignores needs within a family (e.g. partners needing separate rooms because of disability). The additional bedroom for the disabled child is currently being challenged by the DWP	Long needed improvement, but does not address extra space needs within a family from disability. Does not address issue of spare room to enable "shared care" of children living elsewhere
	State Pension Age	• Accelerate speed of equalisation of pension age—with equal pension age to be achieved by November 2018. • Further changes thereafter (see below)	Raises minimum age for claiming both State Pension (for women) and Pension Credit. Similar increases in qualifying age for Attendance Allowance Some pensions will gain more from new single tier Retirement Pension but others will have to wait longer for less.	Current age said to be "financially unsustainable", as smaller working age population has to fund growing RP. People can already choose to work on, but a higher pension age hits those in physical jobs and those affected by tougher tests for ESA. Increased competition for young workers in recession.
	State Retirement Pension	2007 legislation provided for basic State Retirement Pension to be increased at least in line with average earnings. Coalition Government made a commitment to increases for basic SRP in line with 'triple lock'. From 2012 onwards this is highest of: Consumer Price Index, average earnings or 2.5%. Other parts of SRP e.g. additional pension remain linked to price increases. **Increase of £450 million pa by 2014/5**	Restores link with earnings and offers a "triple guarantee" for basic pensions. Will make a significant difference over time to pension levels especially when earnings grow. In short term, some losses from switch to CPI from Retail Price Index. Commitment to universalism in tackling pensioner poverty also seen for this Parliament in retention of other universal benefits Cold Weather Payments, TV licenses at 75+, bus passes, health benefits etc.	Welcome restoration of previous permanent commitment abolished in 1979 - and implemented in some years from 1997 to 2010). Link allows pensioners to keep up with general increase in living standards, reducing tendency to growing inequality and marginalisation. A pension only linked to prices since 1948 would be c £45 pw. This long term strengthening of non-means tested "pension age" social security contrasts markedly with the drive to conditionality, sanctions, lesser eligibility and means testing in "working age" welfare.
	Pension Credit	Guarantee Credit is linked to earnings only in legislation. Due to low rises in earnings the Government has increased GC to match the cash rises in basic State Retirement Pension. Cost offset by reduction Savings Credit. **Increase of £535 million pa by 2014/15.**	The increase by the cash amount of State Retirement Pension has provided some protection in times of low earnings rises, though still real cuts. Over time the earnings link would be expected to provide real increases improving the income of the poorest 20% or so of pensioners on Guarantee Credit	May - in the long term – to some extent offset cuts to Savings Credit that could affect 50% of pensioners (see below). PC has only a 65 to 70% take up so need remains to encourage take-up and maximise entitlement linked to AA, especially ahead of changes ahead for e.g. mixed age couples.
		Savings Credit maximum amount frozen for next 3 years. **Cut of £330 million pa by 2013/14**	Affects those on minimal incomes—or levels just above it - who get a bonus for saving for retirement	May offset effect of other increases. Counter to general policy aim of encouraging people to make provision
Sep 2011	**Educational Maintenance Allowance**	Abolished in England. A loss of up to £30 a week for young people on low incomes staying on at school or college. About 10% as discretionary funding	Will impact particularly on 16 to 19 year olds from low income families, who lose up to £30 a week (and bonuses for attendance, attainment). Some may give up, others do less well.	Colleges value the extra resource for books/travel and incentives. Likely to increase NEETs and attainment gap between richer and poorer areas and reduce social mobility.

Date	Benefit	Change	Impact	Analysis
Jan 2012	Housing Benefit	**LHA Single room rent** restriction for single people (not lone parents) under 25 extended to people aged ***under 35*. Cut of £215 million pa by 2014/15**	Further extends restriction for people in private sector tenancies, increasing marginalisation and ghettoization. Exempt groups remain.	Rationale for lower rates "reflecting a different labour market reality", but unlikely in mid 30s. Will affect parents with "shared care" of children who may not have suitable accommodation for children to stay over.
April 2012	Working Tax Credit	**Couples** with children must work at least 24 hours combined (rather than 16) to qualify; with one working at least 16 hours. **CUT of £390 million pa** **50 plus element** scrapped. **CUT of £50 million**	Families on low earnings on low hours lose WTC. Those aged 50+ moving from unemployment into low-paid work now denied have to meet the basic rules for WTC, as to other claimants.	Impacts on working families where unable to find or work additional hours (e.g. because juggling caring responsibilities). Opens a gap for many between 16 and 24 hours where no top up income is available and may have to give up work. Loss of incentive for over 50's to undertake part time work for the first 12 months
	Child Tax Credit	**Family Element income threshold** abolished, so will start to taper off straight after CTC individual elements. **CUT of £480 million pa by 2014/15; Estimated that it will cost £2.3million to apply the means test.**	Family element (worth £10.50 pw) will cease being paid at much lower incomes than before affecting many on average earnings	This element replaced the tax allowance for families prior to tax credit – would this have even be considered had this remained as an income tax allowance?
	ALL **Tax Credits**	**New rule** of *disregarding an income drop* of £2,500. **CUT of £585 million by 2014/15**	Tax credits will not increase to help you if your income drops unless the drop is *more* than £2,500.	Doesn't assist in an environment where reduced working hours is a better option than redundancy as claimants may find themselves worse of in employment. Housing Benefit and Council Tax Benefit will still be adjusted for income drops & should be notified.
		Time limit for notifying changes of circumstances cut from 3 months to 1 month. **CUT of £330 million pa**	People will have less time to inform HMRC about changes affecting their tax credits.	Saving assumes a significant loss for people who miss deadline A particular problem for new parent(s), who may be under pressure adapting after a new baby, especially if any other difficulties..
	Contributory ESA	**Limited** to 1 year for people in the "work-related activity" group. Support group not affected. **CUT of £2,010 million by 2014/15**	Loss of basic benefits income for those with savings or working partners. Applied retrospectively, so some will lose ESA straight away. Doubles cuts from migration and WCA.	Goes back on NI covenant and principle of collective mutual social security. Pressure to take out less cost effective private insurance. May still be worth hanging on to "credits only" claim in case of future Support Component or permitted earnings.
	ESA in Youth	**Abolished from April 2012.** Claimants switch to Income related ESA or come off benefit	Ends non-means tested ESA for under 20s. Targets people with severe or long term illnesses or disabilities	Particular affects people with learning disabilities. Not all claimants will be able to get Income-related ESA instead, (e.g. if a working partner, compensation payment or capital provision made by parents).
	Pension Credit	**Savings credit reduced and frozen for four years** to £18.54 (single) and £27.73 (couple). Also threshold for qualifying increased by 8.4% **Saving £330 million a year by 2014/15**	Fewer pensioners will qualify for the savings credit and those that do will receive less	Reduces the reward for 'moderate provision' – will affect pensioners with small amount of savings/occupational pensions
	Housing Benefit	**Local Housing Allowance** rates frozen ready for increasing with CPI if lower in April 2013	Less variation from month to month – harder to find properties within LHA if rents increase substantially	Main effect will be felt over time if CPI consistently lower than 30% percentile
May 2012	Income Support *(lone parents)*	New claims for IS (lone parents) only if a child **under age of 5** (was reduced to 7 in October 2010). If not then "sign on" for JSA. Existing claimants with no child under 5 will have the benefit removed in phases.	Over 100,000 lone parents switched from Income Support onto JSA since 25/10/10. Nominally same benefit rate, but must "actively seek" and be "available for work" or face JSA sanctions.	Lone parents want to work *where jobs and support exist*, when it is right for their children etc. Compulsion via JSA may just distract from action on barriers to work and risks increased child poverty. 21% of children of single parent who work full time are in income poverty.

Date	Benefit	Change	Impact	Analysis
Oct 2012	**All DWP Benefits**	Civil Penalties will be introduced for claimant error in claims for Benefit	Local Authorities and the DWP will have this permissive power to enforce a civil penalty of £50 to claims which contained an error made by the claimant. This is part of the Governments strategy on 'tackling fraud and error in the benefit and tax credit system'.	Local Authorities do not have to implement this charge and if they do, it will only increase rent arrears; it may have the opposite effect of claimants being too frightened to rectify mistakes when identified, leading to increased overpayments and potentially higher incidences of fraud.
	Jobseeker's Allowance *sanction changes*	From the 22nd October there will be a three tier fixed penalty sanction ranging from 4 weeks to 3 years, where the claimant will lose payment of all their benefit	**Higher level** sanctions (e.g. leaving a job voluntarily, or through misconduct, or failing to take up a job or mandatory work activity) - 13 weeks for a first failure, 26 weeks for a second failure; 156 weeks for a third / subsequent failure (within a 52 week period of their last failure); **Intermediate level** sanctions for 'not actively seeking or being available for work; 4 weeks for first failure, 13 weeks for a second or subsequent failures (within a 52 week period of their last failure) **Lower level sanctions** (e.g. failing to attend an adviser interview) - 4 weeks for the first failure, followed by 13 weeks for subsequent failures (within a 52 week period of their last failure).	Impact greater on those who are more vulnerable and have chaotic lives Will increase demand for services, especially food banks Claimants may revert to payday lenders and illegal money lenders in order to access money Impact on health and wellbeing of claimant Claimants may be dependent on hardship payments which Jobcentre do not always advise of and can be difficult to claim.
	In work Credits & Job Grant	Abolished for those moving from out of work benefits to in work benefits	The Job grant of £100 for a single person and £250 for those with children assisted with additional expenses of going to work (e.g. clothing and travel); The £40/£60 weekly in work credit and return to work credit really boosted the income of those returning to work with a disability and lone parents.	These benefits were abolished in preparation for the introduction of Universal Credit – however the claimants that will be affected by this change in October will continue to claim the same benefit after the introduction of Universal Credit and there is no real justification for this cut.
Dec 2012	**ESA and JSA**	From the 3rd December there will be a three tier sanction for those in the work related activity group who fail to undertake work preparation and work focused interviews, where the claimant will lose payment of all their benefit	The sanction will be open ended until the claimant re-engages followed by a 1, 2 or 4 week benefit sanction. The weekly amount of the sanction also increases from the work-related activity component to the standard allowance (£28.15 to £71.00) Claimants can be referred into the work programme within 12 months of being expected to be fit for work; There are currently a pilot mandating claimants into the work programme where they are likely to be fit for work within 2 years	This will impact on those who are more chaotic and vulnerable and are claiming a benefit because they have been assessed as unfit to work and yet will be required to undertake work related activities (including unpaid work). Even when the claimant re-engages (which it can be difficult to establish) they will not receive benefit for a set period of time, depending on whether they have been sanctioned previously and when. Cut undermines the logic of ESA Work Related Activity. Government denies a formal policy of more sanctions, despite mounting evidence of management pressure on Advisers to increase referrals for sanctions.
Jan 2013	**Child Benefit**	**Affluence test for CB: Tapered withdrawal of** Child Benefit (via income tax) where an earner over £50,000, stops completely at £60.000. **CUT of £2,485 million by 2014/15**	All families paid child benefit but clawed back via income tax on higher earner. Means some 500,000 new self-assessment tax returns. Reduces but does not remove one v. two income anomaly in original proposals	Undermines value placed on all children; CB redistributes from those without children to those with and main earner to main carer. Undermines support for collective social security. Cost of administering reduces any savings.
	Employment and Support Allowance	• **Tightening up of some of the descriptors** to make them more restrictive, • Definitions of hospital stay extended to be more than 24 hours (reg 25) • Substantial risk (reg 29) amended to exclude risks which could be significantly reduced by work place adaptations or taking medication. • All types of chemo and radiotherapy now give 'limited capability for work related activity' •	• Makes it even harder to score points on some of the amended descriptors leading to more claims being rejected • Harder to be 'treated as' having limited capability for work • With the one positive exception of cancer patients.	Some of the changes specifically brought in to nullify the effect of caselaw that had gone in favour of the claimant

NAWRA Welfare Reform Changes: Part 2 - Recent and Forthcoming Changes

(For changes before April 2013, please see updated Part 1 - Earlier Changes)

Date	Benefit	Change	Impact	Analysis
April 2013	**April Uprating**	• General increase of 2.2% CPI not 2.6% RPI • Many benefits restricted to 1% for next 3 years • PC Savings Credit – cuts in max SC and increased thresholds	Real cuts of 4% over next 3 years for many, an extra 200,000 children in poverty. DWP claims e.g. carers, disabled and ESA Support Component will be protected – but basic allowances still hit – e.g. a carer or someone on ESA SC overall increase may be 1.4%. SC cut further penalises pensioners with small savings/pension provision.	Government says: Why should people on benefits do better than average earnings (strivers v. shirkers)? But over 60% affected are in work and little evidence of "shirking" in remaining 40%, while little room for belt tightening. But, if a case is being made for linking uprating to average earnings permanently, claimants would then share in longer term growth.
	Tax Credits	Increased income disregard falls to £5,000 (previously £25,000, reduced to £10,000 in 2011)	Extends April 2011 cut. Means greater likelihood of overpayments similar to when tax credits was first introduced	Further exacerbates cost, complexity and disincentives.
	Council Tax Benefit	Handover of responsibility for CTB schemes to Local Authorities in England and devolved governments in Scotland and Wales with a 10% reduction in budget **Cut of £490 million by 2014/15**	A cut in help with Council Tax for all those on low income, with potential confusion and postcode lotteries in England. Initially, many English councils will have to stay with the "default scheme" (i.e. as CTB) and find the 13% shortfall. In time, local schemes will develop within budget so working age claimants face cuts, minimum contribution (e.g. 10 to 20%), restrictions to band A, higher tapers, no backdating and other variations. Default scheme will run across Scotland and Wales for 2013/5 with devolved Governments funding the shortfall.	Working age claimants face reduced support and higher council tax bills just as other welfare reform cuts start to bite. Schemes will come under pressure if above inflation council tax rise or a large local redundancy Increased confusion and complexity, with variation in systems and processes. Implications for collection for the Local Authority. Likely increase in arrears – court costs etc. Sept 2014 – NPI research shows Biggest increase in council tax arrears in areas with biggest CTS cuts.
	Housing Benefit	**The "bedroom tax". HB restricted** to the number of rooms "needed" in social housing (already happens in private rented housing). **CUT of £490 million pa by 2014/15**	Applies to "working age" families. If in a larger home than deemed to "need", the eligible rent for benefit calculation will reduce causing a shortfall in rent. 14% for one extra bedroom and 25% for two or more. No account taken of bedrooms for: shared care with another parent, a child who may be returning from local authority care, or need for extra bedroom because of disability needs. Case law arguments on room size, disabled child (allowed in certain cases under Burnip) and adult disability (failed). Last minute concessions allowed for 1 bedroom only for foster children and if a non-dependant is in HM Forces on active service. Families forced to move or find shortfall. Some 40,000 will come off HB.	Pressure on families affected and rise in rent arrears; potential impact on school rolls and GP lists with claimants moving in/out of area. A young person moving out could leave remaining family falling into debt or having to move for financial reasons. Disruption of local authority care arrangements if foster carers need more than 1room or families not able to afford to keep room available for planned return. No account for extra rooms adapted to needs of disabilities Moving may not be easy – few smaller properties within social housing. This is not a policy for better use of social housing stock, nor is there need to control taking on too large properties as allocation is controlled by RSLs
		Local Housing Allowance up-rated in line with the *consumer price index* not average market rents. **Cut of £290 million by 2014/15**	Housing Benefit will no longer be based on actual rent costs.	Shortfalls in rent will have to be found out of other income. Debt and evictions are likely to increase.
	Social Fund	• Crisis Loans (waiting for benefits claim to be processed) to be replaced by 'short-term advances' of benefit • Budgeting Loans to be replaced by budgeting advances under Universal Credit, but remain as now for those on legacy means-tested benefits; • All other Crisis Loans and Community Care Grants to be abolished and budget (as at 2010) passed to Local Authorities in England and the devolved governments in Wales and Scotland.	Reliant on 'payments on account' system operating effectively which it has not done previously. Replacement of short-term benefit advances has been chaotic with claimants wrongly referred to the local fund. Local Authorities likely to see an increase in people presenting themselves in need – increase demand for soup kitchens, food banks and furniture re-use projects. Cut in budget will result in less people accessing assistance when they need it. Overall loans allocation budget cut from £561million to £461 million. Not a saving as simply a cap on level of recycling of funds as loans repaid, but will reduce availability/size of loans.	Funding to Local Authorities in England is not ring-fenced and there is no statutory requirement for SF alternative, so likely to be postcode lottery situations arising. No independent review process – IRS disbanded. In Scotland, the Scottish Welfare Fund will be a national scheme run through local authorities. In Wales, the Discretionary Assistance Fund will be run by Northgate in partnership with Wrexham CBC and the Family Fund. Both schemes will be grants based Any reduction in SF help is likely to increase high interest debt (pay day loans, Provident, loan sharks etc.). More families will be presenting themselves to the Local Authority as 'in need' Government announced funding for local schemes to cease from 2015/16 though after judicial review challenge have agreed to consult and reconsider.
	ESA and JSA	New regs. come from April 29th bring conditionality and sanctions in line with UC e.g. spending 35 hours per week job seeking unless health or caring issues.	Higher expectations on claimants increasing risk of sanctions if fail to comply. Decisions about whether there is 'good cause' may be very subjective.	Danger of agreeing an unrealistic Claimant Commitment through not understanding/assertive enough. If they then fail to meet it loss of benefit could cause deterioration in health, lack of necessities or homelessness

Date	Benefit	Change	Impact	Analysis
April/ Sept 2013	**The Benefit Cap**	**Household Benefits cap** on total benefits income for "working age" claimants (unless on DLA or Working Tax Credit) at median income" (c £350 for single adult, £500 for couples), applied initially by cuts in HB, but in future all UC. To be phased in across UK by September 2013. **CUT of £270 million pa**	Starts in 4 London Boroughs of Bromley, Croydon, Enfield and Haringey then rollout across UK from July. Main impact in high rent areas – where people have same low disposable benefits income than other areas, but large rent bills, due to failure of the housing market/policy to provide sufficient affordable housing. Risks of homelessness, migration and ghettoization. Also affects larger households in all areas of UK	Knock on social costs of measure likely to be more than any savings. Govt. argues point of principle: why should people on benefits get more than workers or be allowed to live in affluent areas? Historically key workers, service industries in affluent areas needed staff, but risks of Paris style segregation. A ripple effect on rents beyond areas. Affects larger households in ***all*** areas- family disruption/child poverty. Worsens under UC
from April/ June 2013	**Disability Living Allowance** **&** **Personal Independence Payment** *ctd. on next page*	DLA for 16 – 64 year olds is being replaced by PIP, but carries on for under 16s and for existing DLA claimants over 65 on 13.04.13. Attendance Allowance remains for new claims from 65 or over: • 20% budget cut and focus on most disabled. But focus on working age means a 26% cut • 2 rates in each of Mobility and Daily Living component based on severely limited/ limited ability. • Rates look like DLA but without a Lowest Care – impact and change likely at all current rates • Medical assessment of most claims using ESA process and descriptors/points model, but very different and carefully consulted criteria. • 10 Daily Living activities and 2 Mobility activities • A total of 8-11pts in each component for Standard rate and , 12 or more for Enhanced • Longer qualifying period – 3 months backward test and 9 month forward test **PIP Timetable:** *New claims for PIP:* • **April 2013** – first new claims for PIP in pilot area – NW England and parts of NE. BUT no time for lessons from pilots before PIP went national • **June 2013** – all new claims from 16 to 64 year olds became claims for PIP across the UK *Migration of working age DLA claimants* • **October 2013** – Plan was for natural migration to begin for existing DLA claims below – with 600,000 to have transferred by Oct 2015. Replaced by planned rollout: implemented in Capita, rollout to some Atos areas in Jan and Feb 2013 – no dates for further extension. Groups switching to PIP include: o young People coming up to 16 o renewals of DLA claims o DLA supersessions for e.g. change of circs o self-selectors – i.e. those who chose to apply for PIP either if they think they may do better or to get switch over with	Loss of DLA for those failing the new Personal Independence Payment (PIP) criteria – DWP expects 600,000 to come off DLA: • despite the success in funding independence and Community Care and DWP assessment of significant under claiming • a double loss to claimants on the lowest income as also lose DLA related premiums in means tested benefits • loss of DLA may also mean loss of exemption from HB/Housing cost non-dependant deductions and the Benefits Cap • individual losses will be concentrated in areas of multiple deprivation where % on DLA are higher • impact will be greater on those more low income individuals and communities • DLA plays a key role in funding supported living schemes, promoting independence and reducing hospital admissions so extra costs to social services, housing and NHS **Early days chaos** Wrong assumptions and failure to pilot meant that the assessment system has been overwhelmed in first year with claims taking 6 to 12 months for a decision. Action to recruit more assessors and by Capita to act on appointment issues and by Atos to get more and appropriate venues in place has been taken. But it takes 3 months to recruit an assessor and get them "approved so that not every case has to be audited... Target is no one to wait more than 6 months from Sept 2014 and normal service to start from Jan 2015 – when claims should take 12 to 15 weeks. **Postcode lottery on DLA supersessions** Transitional regulations based on steady state DLA claims moving over to PIP have failed to deal with supersessions due to deterioration. A postcode lottery has opened up – current DLA claimants in areas yet to implement the Oct 2013 changes still apply for a change in their DLA. Any increase will be backdated to date of application, as will happen in future across UK for PIP claimants needing such a change. BUT… DLA claimants in areas where Oct 2013 *has* been implemented have to switch to PIP. Any new award only starts 4 weeks after the date of decision; typically 7 weeks after application for special rules claims and 30 weeks or more for ordinary rule **DWP Predicted outcomes** Not just a simple removal of DLA Lowest Care. DWP Impact Assessment shows they expect: • sharp drop in Higher Mobility and Lower Mobility, • more Care/Daily Living only awards, • far less Middle Care/Lower Mob etc.	The delays go well beyond teething problems, are entirely unacceptable and could have been avoided by proper piloting of the change. DWP is in danger of establishing a reputation in serial incompetence in project management or over ambitious timescales and lack of thought to avoid unintended consequences. The experience of ESA suggests that points and descriptors do ***not*** guarantee objectivity and consistency – rather subjective selection, from expensively commissioned snapshot medicals. Limiting the measure of impact only to key tasks – however carefully constructed and consulted on – may offer less room for a holistic personal and individual assessment rather than more. The omission of supervision activity may rule out a number of very vulnerable people, who may cope reasonably with day to day tasks but need supervision to avoid danger to themselves or others. Unacceptable delays aside, there have been fears of a repeat of the poor ESA experience. But early reports seen so far suggest a higher quality and closer to reality assessment than many ESA ones; auguring well for the DWP laudable aim of "right decision, first time". Advisers would willingly trade harder appeals for fairer decisions for clients and those without access to advice. Reliability, variability and the 12 month assessment are likely to remain tricky issues… However, the aim remains for a budgetary cut of 28%. If a fair – and speedier – assessment process fails to deliver, it will be much easier to revise the descriptors to achieve those savings as has happened several times with ESA. The case against DLA was largely contrived after the decision was made and the DWP have been told off for misselling PIP by the NAO. It was not "out of control" nor as little subject to medical scrutiny as claimed. DWP initial research also supported the wide perception that DLA was under not over claimed. The loss of or reduction of DLA will be compounded for those on the lowest incomes by knock on losses within means tested benefit in the current system. The future for PIP claimants is not good as by accident or design, the DWP is removing adult disability elements entirely from Universal Credit and halving those for most disabled children. Protecting the most vulnerable? The double whammy for the poorest and most vulnerable of those with disabilities, will not only affect personal incomes and independence. It will impact on the funding of support services and will result in increased NHS and social services costs. Numbers on PIP and DLA is also a factor in the award of money to local authorities leading to a further cut in resources. The losses will be concentrated in areas with the highest multiple deprivation having an effect on the local economy. It will also impact on the resources to support informal community care, self-help undermining the "Big Society" aims of community support and resilience.

Date	Benefit	Change	Impact	Analysis
from April 2013	*ctd. from previous page* **Disability Living Allowance** **&** **Personal Independence Payment**	• **October 2015** – plan remains to start inviting remaining working age DLA claims to switch to PIP in a managed migration, by DLA renewal date or random invitation. To be completed by end of 2018 **CUT of £1,075 million pa (20% of the budget but focussed on working age claimants – so 28% of these claims)** ○ **Even if PIP is not lost or reduced, many face further cuts under Universal Credit**	First actual outcomes showed a very high overall pass rate at first dropping mainly because high % of earlier decision were special rules. Ordinary rules fell to a low of 30% in Oct 2013 rising to 45% in March 2014, which may in part be due to increasing % of assessments on papers (where claimants will tend to have more severe/better evidenced needs). Overall it is probably too early to say as only 25% of claims made to March 2014 had been decided. DLA pass rate had settled at c 46%. **PIP Likely winners and losers** New descriptors offer potential winners and losers. As with ESA, those with less easily definable difficulties or lesser physical needs may be hit. • criteria for Enhanced Mobility is 20m rather than c.50m of DLA Mobility – some 600,000 likely to lose Higher Mobility • some 200,000 DLA Lower Mobility claimants may score enough points for PIP Enhanced Mobility for the first time. But after the arrival of people dropping down from DLA Higher Mobility, some 600,000 will come off DLA Lower Mobility. • only 1pt for DLA Care supervision for risk of danger (e.g. epilepsy diabetes, poorly controlled asthma, psychotic episodes). Will need to link supervision issues to specific daily living descriptors. • the DLA 'cooking test" (for lower Care) still attracts points but not enough on their own for an award. Either lose DLA Care or find points elsewhere. It may be easier to do that than it was to make the leap from DLA Lowest to DLA Middle Care. • prompting with an activity tends to score less than physical help • increased recognition of aids and appliances may help physically disabled people who manage with these. But some activities - communication, engaging with others and budgeting decisions - may help many with prompting needs e.g. learning difficulties, autism, sensory impairment & mental health	Fear of the re-assessment process – as much as the outcome - will cause anxiety for many DLA claimants, poss. scarred by the ESA migration process. The changes abandon slow progress made in DLA case law towards a common sense, flexible and social model of illness and disability. Young people in transition will face extra uncertainty as they move to PIP – and potential crucial losses on e.g. mobility (impacting on education / transport). Dependent young people will continue to get UC child disability elements but the absence of adult equivalents increases the potential drop when moving to own claim, delaying transition and adding barriers to work. 600,000 claimants are set to lose Higher Mobility and drop down to Standard Rate PIP – a drop of £33pw in income and a loss of access to Motability. This particularly affect those seeking independence via education or paid work, But a further 600,000 will lose Lower Mobility with mental health claimants seeming to being particularly targeted by the descriptors. The 16% of DLA claimants in paid work may find any loss of Mobility particularly difficult, while personal independence and work incentives are unlikely to be supported by the confusion around any replacement for WTC disabled worker elements within UC
from April 2013	**Universal Credit** *ctd. on next page*	Merges most "working age" means tested benefits and tax credits into a single **Universal Credit :** • **Timetable on reset** – gradually replacing Income-related JSA in 10 pilot area: ○ the original four: Ashton u Lyne, Oldham, Wigan and Warrington plus ○ Bath, Hammersmith, Harrogate, Inverness, Rugby and Shotton. ○ Extending from single jobseekers to couples in Aug 2014 and families in Sept 2014 ○ Rollout across NW England to 50 jobcentres (additional 40 in NW England) from Sept 15th – see list at www.gov.uk/jobcentres-where-you-can-claim-universal-credit	Aims to reduce barriers into work and complex interactions between in work and out of work benefits • Aims to smooth transition to work with a common assessment of needs and withdrawal rate of benefit as income increases and no need to stop and reclaim different benefits • Claim is that no-one will be worse off - at point of change. Transitional protection rules are extremely delicate, and most changes in circumstances will result in loss of this protection. • In Dec 2012, DWP estimated 3.1million households gaining an average £168 pcm and 2.8 million losing an average £168 pcm, with an average increase of £16 pcm. Overall 300,000 more in work and a reduction in numbers in poverty from UC. • **Adult "disability" elements abolished.** ○ Only "limited capability for work" and "limited capability for work related activity" elements replacing ESA components. LCWRA element (at £71.45) higher than ESA SC. ○ But it absorbs not only EDP automatically added to ESA SC, but also SDP and disability premium.	Attention has focused on the failure to achieve the proposed timetable which is now so flashing red that it has been reset so that UC is now firmly on time. With only c. 6,000 UC claimants to date, mostly new jobseekers, the actual impacts of a UC that works have perhaps been less scrutinised. Aspects of UC are rolling out ahead of the benefit: the new sanctions regime are affecting ESA and JSA claimants now, the UC Claimant Commitment has replaced Jobseeker Agreements and pilots of direct payments to tenants of social landlords within HB. In-work conditionality could increase use of sanctions. The general concept of UC has had cross party support, though Labour are now committing to a full review and restoration of children's payments to the person with care. Overall UC has not been about cuts but there will be significant losses especially for adults and children on disability benefits and pensioners who fall under UC. Number crunching suggests that many in p/t and full time work may be better off under UC. However all claimants will arrive at the gates of UC, having had successive cuts in their benefits over the years since 2010.

Date	Benefit	Change	Impact	Analysis
from April 2013	*ctd. from previous page* **Universal Credit** *ctd. on next page*	• **Further rollo**ut announced 29 Sept 2014: ○ Aim to extend to 100 jobcentres by Christmas. – 1in 8 of UK jobcentres ○ February 2015 - roll out to commence for simple jobseeker claims in all UK jobcentres • 11 **Local Support Services partnerships** in place from 1st Sept 2014, to pilot additional budgeting, mentoring, drug/alcohol and housing support to UC claimants. The LA partnerships include: *Argyll & Bute, Blaenau Gwent, Carmarthenshire, Derby, Dundee, Islington, (Lambeth, Lewisham and Southwark), Northumberland & South Tyneside), South Staffordshire, West Lindsey, (Westminster & Kensington & Chelsea).* • **Migration timetable tbc**. Aim remains to complete managed migration by Oct 2017, except that Income-related ESA will not start managed migration until after then (but will start as new claims and "natural" migration long before then) • **Transitional protection** for 'managed transfer' only i.e. not changes of circs. And can be lost • **UC Maximum Amount**: a common system of allowances / additional elements: child disability, carers and limited capability and housing costs (for rent and help with mortgage interest) No pensioner or adult disability elements • A single **65% taper** for earnings after disregards above their UC amount. Taper only applies to earnings – other income will be taken into account £ for £ - particularly affects those that only qualify for help with their rent • More generous **earnings disregards** aka work allowances, but lower than WTC thresholds. • But reduced if any housing costs element and no help with **mortgage interest** as soon as any earnings at all. May be compensated for by higher Work Allowance that results, but bad news for shared owners	○ So DLA/PIP will not trigger any UC adult elements, except for mixed age couples where older age partner's disability benefit means treated as having limited capability. ○ A WCA only approach excludes many people with disabilities from additional elements: disabled workers, lone parents, carers and jobseekers. An expensive, inappropriate double testing via WCA given existing PIP assessment, which many may well not pass. ○ Meanwhile those who do undergo WCA but only have LCW lose out when previously may have EDP/SDP on top via their DLA • **Workers with disabilities:** Those with disabilities / long term illnesses in work, face the absurdity of calling in for an assessment of limited work capability possibly on their way to a full time job. This is the only route to extra support currently available from the WTC disability ("disabled worker") element. • **Child disability:** two disability elements as now, but with rates for most disabled children – except only those on the highest rate of Care - halved in order to harmonise with the LCW rate. A loss of over £28 pw for all children not on the highest rate of care. • **Carer's element** extended to working carers but disabled carers can only claim carers *or* limited capability element, not both. • **Mixed age pensioner couples** (where one partner is above and one partner below pension age) will see a significant loss from being forced on to UC that has no pensioner element. Where such couples are both disabled their loss will be even more significant because of the absence of disability elements • **No cuts?** While number crunching suggests that UC will largely mean people will be better off in moving into work, significant numbers of the poorest adults and children with disabilities and pensioners will be worse off. This may impact on their incomes, their support networks and funding for supported housing • **Transitional protection** offers some protection for existing claimants but none for new claimants. The protection though is only there for those who are managed over to UC not those who migrate naturally: e.g. have a child or move in with a UC claimant. • And protection can be lost for a change of circumstances, while those who retain it may find their benefits frozen for many years as each year life gets a little harder. • **Work Allowances** add complexity and produce odd effects based on whether people receive any help with rent or mortgage. Those that lose mortgage interest may though do better from higher work allowances. But not if they live in a shared ownership property. • **Childcare** – a welcome extension of help with childcare costs to part time workers. The original reduction from 80% to 70% has been changed to a welcome increase to 85% (but not until 2016). But the significantly lower limits compared with Working Tax Credit remain, so parents may well still get less help overall with this major barrier to work	While some "losers" will get transitional protection, not all will get it nor keep it. And those that do may in some cases face many years of frozen benefits with each year getting harder There are then some real issues, with much devil in the detail • **The taper is 65%** - with an additional 20 to 30% from council tax support being taken out of the scheme for a short term £500million cut) Marginal tax rates of 85% plus (as opposed to the original all in proposal of 55%) do little to address work disincentives and the "housing poverty trap". Yet a top rate of 50% is seen as intolerable for top earners, even though the DWP tell us that "economic theory tells us that the impact of marginal tax rates is highest among low earners" • Maximum **work allowances** are more generous and mitigate to some extent loss of help with mortgage interest as soon as start work but only for those doing a substantial amount of work. Shared ownership owners/renters will be hard hit • **Impact on poverty:** numbers for reductions in relative poverty have been revised downwards, while JRF suggest any positive impact in increases under UC has been lost amongst the overall welfare reform cuts across other benefits – risking "a decade of destitution". • Minimum work allowances more generous than current earning disregards in "out of work benefit" improving work incentive for renters. But they are often less than the tax credit thresholds. Some will gain and some lose from changes. • **Incentives -** *"carrots"* - are greatest at the start of the move into work for those that rent as claimants keep extra income until their Work Allowance is reached. After that the 65% taper (plus Council Tax taper) is little different from the current poverty trap (as opposed to the single 55% taper originally envisaged) • Sanctions – "sticks" – are much sharper. "In work" conditionality for the first time. No evidence has been offered for the effectiveness of the new sanctions regime, bar a desire to emphasise more conditionality and offer a balance to the carrots of UC. But the balance seems to have tilted as carrots are reduced and sticks sharpened Sanctions have been doubled in the last year with too many examples of vulnerable claimants being set up to fail by target driven staff. • Last resort is becoming routine, plunging many into destitution. Hardship Payments ability to protect the most vulnerable is limited by becoming repayable under UC, • The UC **disability gap** that results from either confusion between "sickness" and "disability" benefits or a genuine desire to target those with long term illnesses and disabilities, leads to real losses for disabled adults (including workers) and children ○ A "single gateway" via the WCA misunderstands support for disability as the WCA is inappropriate for jobseekers, carers, lone parents and workers with disabilities. ○

Date	Benefit	Change	Impact	Analysis
from April 2013	*Continued from previous page* **Universal Credit**	• **Four levels of conditionality**: 1. Full job seeking (as in JSA) 2. Work preparation (as in ESA WRAC) 3. Keeping contact with labour market (as in IS for lone parents) 4. No conditionality (as in ESA SC and Carers) • Conditionality will apply for claimants whose gross income is below 35 hours x minimum wage (less hours if other responsibilities e.g. childcare) • **Mixed age couples** lose i.e. where one under/one over PC age. Will have to claim Universal Credit not Pension Credit (with no compensating pensioner element, or severe disability and restricted carers element) • **Payments of benefit** to one person, monthly in arrears – up to 7 days from 1 month after date of claim. First payment may be also be reduced by 7 waiting days. Payment will include all rent but mortgage interest paid direct to lender. Up to 7 days from a month. Alternative payment arrangements possible at DWP discretion but temporarily. • **Capital limit** of £16,000 – may stop some currently claiming tax credits. Many WTC claimants may be entirely receiving transitional protection • 80% of claims to be made **on line** – no paper claim forms	• **Local Authorities** are now to be able to share UC information and looked to as partners in claimant support. Registered social landlords will have to make arrangements to collect rent – claimant's rent accounts will no longer be credited. • **Sanctions –** the UC regime is largely in place, but UC will bring two new features: ○ *"in work" sanctions* for people currently on WTC as per jobseekers until earnings exceed a conditionality threshold ○ *Hardship Payments*, will become repayable from future benefit, effectively a loan. • **Digital by default** – now digital by preference – may present difficulties to many claimants in making their claim especially if they live in rural areas with poor coverage and long journeys to e.g. Jobcentre Plus hot computers. • **A single monthly payment**: this may be problematic in more vulnerable households and where there is financial abuse. Increase in rent arrears are likely as claimants will be responsible for budgeting to pay their rent leading to increase in evictions. The well evidenced fact that paying money for children to the main carer is being ignored and so may not reach children nor be a valuable resource for escaping violent relationships. • **Alternative payment arrangements:** more frequent payments and split payments are possible but only on application and at discretion which may make previous good practise more difficult • **Monthly assessments** mean changes of circumstances will be backdated to the beginning of the payment period – good news if an increase entitlement; bad news if it decreases/ loss of entitlement. • **Impacts on the self-employed:** Discouraging - after the first year in business, self-employed will be assessed as receiving a set threshold regardless of actual income/profit. Some chaotic effects for those with seasonal fluctuating earnings. An additional burden to report separately under DWP rules and HMRC ones. UC loses the tax credit advantage of a single light touch means test.	○ A simplistic insistence on harmonisation of rates – by accident or design – halves the support for children with disabilities in the lowest income families (protecting the most vulnerable? • **Carers** continue to lose from existing real cuts in benefits, but those with disabilities lose from the unjustifiable provision that UC will only recognise extra costs of caring or –if passing the WCA- health issues, but not both. A poor reward for the huge sums saved to the Treasury, The extension of carers element to workers though is very welcome **Conclusion** The original UC proposal contained much merit in its plans to unify and simplify benefits, iron out some of the barriers between out of work benefits and in work benefits and offer a balanced mixture of better financial incentives – to tackle the poverty trap – and reasoned conditionality. Since the original proposals were published in opposition, cuts have considerably increased complexity and reduced UC's ability to make much difference to the scandal of the poverty trap for low paid workers. As carrots wither and sticks sharpen, UC seems to have lost its original balance. While the treatment of people with disabilities, carers and those pensioners who come into UC's orbit is both bizarre and regressive. It is much to be hoped that the implementation difficulties and IT issues offer a chance not only to progress in a more measured and realistic pace, but also a chance to consider the workings of the scheme and iron out unintended consequences before they hit vulnerable people. As the UC stands, there is a risk that UC offers less a new modern visions for a social security system fit for the for the 21st century, and more a return to the pre-occupations of the Poor Law of the 19th.
Oct 2013	**All DWP Benefits**	Mandatory Reconsideration (MR) introduced from 28 October 2014. All decisions must be considered for mandatory reconsideration within the DWP before an appeal can be made. Appeals lodged directly with the Tribunal Service and application for appeal must include a copy of the mandatory reconsideration notice. Intention that from October 2014 there will be a time limit of 4 weeks from lodging of appeal for DWP to produce appeal papers – however, no time limit on MR process.	Biggest impact is for ESA claimants who cannot be paid assessment phase ESA until appeal is lodged. Options during MR period are to claim JSA (if they can manage system) or have no money. Once appeal is lodged they will need fit note backdated to original decision date to get ESA backdated over MR period. Claimants given 'assurance call' inviting them to give further evidence to assist with MR but if there is delay providing evidence this will extend the MR period.	If fail to claim JSA, HB will also be suspended and claimant will have to show evidence of 'nil income'. Risk that people will drop out of system or health will deteriorate as they try to cope with process. No actual financial savings for DWP as JSA paid is equivalent to ESA assessment phase and if don't claim JSA then ESA is backdated once appeal lodged. In fact increased financial costs for DWP due to administration of opening and closing JSA claims during the MR period.

Date	Benefit	Change	Impact	Analysis
Oct 2013 to March 2014	**Jobseeker's Allowance** *Claimant Commitment*	**Roll out of UC Claimant Commitment** Roll out of UC Claimant Commitment – very specific agreement which sets out exactly what job search and job preparation must be undertaken each week. Expectation within commitment that claimants can travel up to 90 minutes each way to a job.	Agreement is meant to be individually tailored and important that claimants make clear any restriction they have e.g. due to health problems or caring responsibilities. Relies on good relationship between adviser and claimant to ensure commitment is realistic and achievable	Only requirement in JSA Regs. is to be available for work and to actively seek work – sanctions should only be applied if fail to take reasonable action to find work. Under reg 18 of JSA Regs. this means taking more than 2 steps unless reasonable to only take 1 or 2. Fulfilling all tasks on 'claimant commitment' is not necessarily a requirement. However, concern that this will not be applied correctly. Likely to be standard expectations such as send CVs to a set number of companies, cold call a number of prospective employers. Useful actions?
Jan 2014	**Jobseeker's Allowance** *residency requirements*	**3 month residence requirement** – all jobseekers, including returning British nationals, will need to have been resident for 3 months in the UK before they can claim JSA.	Will affect British nationals returning from work or study abroad as well as EEA nationals.	'
		6 months limit on entitlement to JSA for EEA jobseekers unless 'compelling evidence' that they have a genuine prospect of work (GPoW) **and** have worked in UK for at least a year before **and** have either met the minimum earnings threshold (equivalent to the NI lower earnings limit) for at least 3 months or it is accepted that work is 'genuine and effective'. 3 month residence requirement 6 months limit for EU workers unless GPoFW	Once JSA taken away from EEA nationals after 6 months then that may take away their right to reside as a jobseeker thus removing entitlement to other benefits such as HB, CTC and CB.	Compelling evidence' of GPoW will be very hard to demonstrate – examples by DWP include that claimant has a job offer that is due to start in a few weeks! However, European legislation does not require that evidence is 'compelling'. Most EEA nationals will be unable to claim benefits after 6 months unless they can show right to reside through another route e.g. family member is worker, or have child of worker or former worker in education
April 2014	**Housing Benefit**	No entitlement to HB for new EEA jobseekers (although existing HB claimants at point of change can continue to receive it	Particularly impacts on EEA nationals who have left family home due to domestic violence – as not be able to go to refuge as cannot claim HB (unless another route to right to reside and can claim e.g. IS or ESA.	EEA jobseeker's who have been on JSA since prior to April 2014 need to very wary of breaking claim as they will be unable to reclaim HB if they make new claim for JSA.
		LHA to rise by lowest of 30% or 1% - with exceptions if has been substantial increase in market rent (list of exceptions can be found in SI 2978/2013)	Claimants whose rent was previously within the LHA may find any rent increase takes them outside leaving them with a shortfall to meet. Increased demand on the DHP budget.	May help objective of keeping private rents under control, but it also likely to mean more and more private landlords are unwilling to accept claimants on benefit.
	Jobseeker's Allowance *new conditionality*	New conditionality including: • Day One worksearch • English language requirement • Quarterly worksearch interviews • Weekly jobsearch reviews/signing on	Increased expectations likely to mean increased sanctions if claimant fails to adhere to regime.	Again concern as to whether support will be effective in achieving employment for claimant. Current work programme has not achieved success in getting claimants into long-term work
	Income Support *(lone parents)*	Increased conditionality once child reaches 3 including – expected to carry out work-related activity in addition to WFIs	Increased level of sanctions (lower level as opposed to lowest level) as failure to carry out work-related activity mean loss of whole personal allowance and for a longer period. Again increased expectations likely to increase sanctions (as with doubling of ESA sanctions in last year)	Concern as to whether work-related activity required be genuinely effective and supportive and how much say they claimant will have to negotiate over suitability.
	Child Tax Credit	Need to inform HMRC by 31st August if a qualifying young person stays in education or comes off claim	Failure to do so will result in child being removed from the claim. Loss of income into the household if claimant informs after one month.	People won't know that they have to specifically do this as HMRC have not advertised this new change.
	Working & Child Tax Credits	All decisions must go to mandatory reconsideration within HMRC before an appeal can be made. Appeals lodged directly with the Tribunal Service and application for appeal must include a copy of the mandatory reconsideration notice.	Adds another layer to tax credit appeals which are already very drawn out.	HMRC operate very strict time limits and may be very unwilling to accept a late MR request. Option to go straight to late appeal where decision is made by an independent Judge is taken away.

Date	Benefit	Change	Impact	Analysis
May 2014	**Carers Allowance**	Earnings limit increased to £102	Potential extra income for carers who also work. But negligible increase and still makes it difficult for carers who want to do some work	Carers working over 16 hours can claim WTC, but commercial rate rules for WTC remunerative work, may mean over CA earnings limit.
Oct 2014	**JSA and ESA** ***waiting days***	Waiting days at start of claim extended to 7 days, for both types of ESA and JSA unless either: • claimant has had a linking claim to another benefit within the last 12 weeks, including JSA, ESA, Income Support and Carer's Allowance; • JSA claimants who are under 18 years old and in severe hardship; and • ESA claimants who are terminally ill.	Period without benefit will cause hardship and likely impede job seeking. Will raise anxieties about taking short-term job as will have to serve waiting days gain if outside linking period. May deter people from making claim because they know no benefit for 7 days but will still have to serve once make claim.	Government say short-term benefit advances will be available but these are repayable and on current experience extremely difficult to get. Delay in processing JSA/ESA claim may impact on HB claim although there are no waiting days for that. Not clear if passporting from income-related benefits will happen during waiting period so claimants on means-tested benefits may need to submit HB claim separately from JSA/ESA claim. Intention is to introduce waiting period for UC – which could mean that no housing costs or money for children will be paid for 7 days either.
April 2015	**All benefits**	New overall benefits cap to put ceiling on all benefits (except JSA, UC for jobseekers, Housing Benefit and Retirement Pensions). Set at: £119.5bn in 2015-2016; £122.0bn in 2016-2017; £124.6bn in 2017-2018; £126.7bn in 2018-2019. Another year of uprating based on CPI with many benefits going up by 1% for the third year running	Unclear what the government will do if the cap is at risk of being breached. The third year of 1% brings the real cut often to the poorest in absolute poverty to 4%. Actual cuts experienced by those affected – 60% who are in work - may be significantly higher due to higher inflation rates for the absolute basics – food, fuel and shelter, exacerbated by a poorly evidenced trigger happy sanctions culture, Stated protection for disabilities and carers continues to be only partial only partial as the larger part of their benefit will be 1% restricted. The very different approaches in pension age means that there is a real danger that – US style - "social security" is only offered to older claimants, with a new – but just as grudging - Poor Law for the rest.	Recent reports suggest the rising costs of ESA put the cap at risk The stated reason for the 1% limit is to align benefit increases with the current low growth in earnings – why, the Government, asks, should claimants do better than those in work (ignoring that many are both?). A more transparent and fair approach would be to link benefits permanently to earnings rises. Long term it would stop claimants being left behind at 1960s subsistence rates as the economy recovers. Proposals to extend the 1% limit for a further 2 years are a targeted £3 billion million tax on the poorest (both in and out of work). And as earnings pick up, the Poor Law "lesser eligibility" justification becomes less convincing. Even an open link to earnings would beg the question as to whether those in absolute poverty have any belt to tighten. Something that has been fairly addressed for Retirement Pension via the "triple lock" guarantee.
Sept 2015	**Winter Fuel Payments**	Will not be paid to pensioners abroad who live in a country with average winter temperature higher than warmest region of UK.	Retired British people living in Cyprus, France, Gibraltar, Greece, Malta, Portugal or Spain will be £200 or £300 worse off a year.	Will impact on pensioners who rely solely on their State Pension and have no other income.
April 2016	**Universal Credit**	Childcare element can now cover 85% of eligible costs, but maximum amounts still lower than WTC UC to be fully rolled out to all new claims	More support for working parents but upper limits will still be restrictive for parents with a number of children in child care.	Rollout process and timetable still very unclear and liable to change
	"Single tier" State Retirement Pension	Pensions Act 2014 introduces new single tier State Pension for those reaching State Pension Age from 6th April 2016. This will combine: • The former State Retirement Pension • Additional State Pension (i.e. SERPS, Second State Pension) • abolition of PC (Savings Credit) for new claimants. To be set above the level of basic PC (Guarantee) – illustrative figure of £155 being used. Reductions for years of NI at "contracted out" rates 35 years NI (with the abolition of the "contracted out" rate) for full pension and minimum of 10 years for any pension.	• Simplifies RP and reduces gender inequalities (from old NI contribution conditions and differential accumulation of earnings related second pensions). • But will be some years before all with 35 years get full single tier rate – e.g. due to protection for pension already accrued and reductions for time contracted out. • Less means testing as new combined pension rate would be above basic PC appropriate amount and no savings credit – PC claims cut by 50%. But PC remains especially for disability, carers, the inclusion of Housing Credit and child allowances Increases incentive for saving	Idea widely seen as having merit, but issues: • Transitional rules minimise unfairness to SERPS/S2P pensioners along with reductions for "contracted" out years in works/private schemes but make system harder to understand • New system will not cost more and over time will cost less – so while some will be better off others would have received more under the current system. This might apply to people who could build up higher pensions through S2P and people expecting to be able to use partner's contributions. • Not available to people who reach SPA before 6 April 2016. PC Guarantee Credit top up still available, but note changes below.

Date	Benefit	Change	Impact	Analysis
?Oct 2016	Pension Credit	**Changes linked to Universal Credit**: • a new 'housing credit' within the Pension Credit as Housing Benefit is abolished for new claims.(now delayed to 2017/8 at the earliest) • new 'child additions' as no Child Tax Credit **New capital limit**: Ministers have stated that it will be substantially higher than elsewhere (?32,000) **Couples** – both will have to have reached pension credit qualifying age (i.e. women's state pension age) to qualify for this benefit, not just the older partner – the date for this not yet announced. Those already receiving PC will be able to continue to receive it. **Workers lose:** could claim Working Tax Credit, but will not be able to claim Universal Credit.	A person may be eligible for the PC Housing Credit even if they can't get Guarantee or Savings credit. (in the same way as HB now) Child Tax Credit is being abolished for new claims from April 2014; Provision will be via new child additions within PC instead, but unless rules change many could be worse off: CTC does not have capital limits and pays maximum CTC for income below a high threshold. Where income exceeds this CTC tapers off at 41% rather than £ for £. And has a £300 disregard on pension income. PC child amounts will simply taper of £ for £ as income exceeds the amounts for the adults alone. Couples where one under pension credit age will have to stay on/make new claim for Universal Credit – which unlike old "working age" means tested benefits does not have Pensioner Premium (and little in disability support). A significant cut for new mixed age couples – or existing ones breaking their claim	Potentially a different calculation for this housing credit than the elements of Pension Credit as they merge the different calculation and rules of housing benefit into 'Pension Credit – housing credit'. A number of different categories of Pension Credit claimants will emerge: those with transitional protection to old amounts, new claimants of Pension Credit Plus and mixed age couples forced on to Universal Credit. Will add to the confusion for claimants, and may impact on 'special guardianship orders' or need for kinship foster allowances -as benefits will not be as generous as under current entitlement to Child Tax Credit. Will be important to maximise take up of Pension Credit among mixed age couples before changes introduced and make sure couples in this situation already receiving Pension Credit understand the impact of a break in their claim.

End of 2018	State Pension Age	• ***Nov 2018*** - Gradual increases to women's pension age completed with pension age equalised at 65
		• ***Dec 2018*** – new common pension age rises to 66
		• **Further increases:**
		  ○ to 67 phased in between 2026/8.
		  ○ then future increases informed by reviews of longevity statistics to take place c. every 5 years or so – the first will report by May 2017.
			More competition on job market as more older people need to stay in employment. Many would want to stay on and be valued experienced employees
			Others may struggle to meet growing demands of job or struggle with processes e.g. WCA criteria or JSA conditionality and face a higher risk of sanctions.
			Pension industry expectation is an increase by one year every 7 years 7 years to reach a pension age of 73 by 2060.
				Both men and women now will either have to show e.g. Job seeking activity or meet ESA requirements up to 65 and beyond.
				A growing potential for poverty in old age if someone's earning power diminishes or they face sanctions.
				Some will benefit from a higher pension as a result of single tier pension, but others may have to wait longer for less, as changes are cost neutral.
				Other options to defuse the "demographic time bomb" might include supporting people to have children or encouraging immigration.